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BANK EQUITY MANAGEMENT STRATEGIES

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Annotation. *The article reveals the theoretical bases of management of the bank equity. The analytical estimation of key indices of equity of Ukrainian banks is carried out. The comparative analysis of alternative strategies for managing the bank equity was conducted and the principles for their selection were identified.*

Keywords: *adequacy of capital, bank equity, share capital, retained earnings, reserve capital, uncovered loss.*

The article is dedicated to the study of the theoretical and methodological principles of the formation and use of the bank equity, the analysis of key indicators of the equity of Ukrainian banks and the determination of the principles for choosing alternative strategies for managing bank equity in the conditions of strengthening the requirements for their financial sustainability.

The authors determined that the problem of effective management of the bank equity is particularly relevant at the modern stage of the development of the banking system of Ukraine, which is characterized by new requirements of regulators and challenges from the business environment.

It was recommended to pay more attention to those alternative equity management strategies, which determined on improving capital efficiency and the banking business as a whole, as well as ensuring optimal level of risk in order to reduce the burden on equity as a tool for their coverage.

The authors offered to choose and implement the bank equity management strategy should on the basis of following principles: orientation to the strategic development of the bank, rather than elimination of current problems, implementation of a ba-

lanced approach to the management of assets and liabilities of the bank, optimization of the rate of internal capital formation.

Development of capitalization plans taking into account the forecast of the value of equity requirements and the availability of alternative sources of its formation, establishment and observance of limits and restrictions on equity, ensuring the maximum level of profitability with observing the acceptable level of risks and the requirements of supervisory authorities, ensuring compliance with the criteria for equity assessing of national and international rating agencies, justifying expectations and maximizing benefits for stakeholders, taking into account the influence of external and internal factors, as well as the current economic situation and strategic market trends; promotion of stable growth of market value of the bank, ensuring the flexibility (efficiency) of capital management.

Compliance with the proposed principles for choosing and implementing alternative equity management strategies may have a significant positive impact on the financial performance of banks, as well as ensuring the stability and reliability of the banking system.

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